



## **Klein Calls for Accountability from Banks Receiving Federal Assistance**

**Washington, D.C.** – Today, the House Financial Services Committee held a hearing to discuss accountability and the use of federal assistance by banks receiving support under the Troubled Assets Relief Program. Witnesses included Chairmen and CEOs of eight major American banks. Congressman Ron Klein (FL-22) submitted an opening statement discussing the impact on his constituents in South Florida. His full statement follows.

### **Statement of Congressman Ron Klein (FL-22)**

#### **Financial Services Committee Hearing**

#### **"TARP Accountability: Use of Federal Assistance by the First TARP Recipients"**

**February 11, 2009**

Mr. Chairman, thank you for calling this important hearing. The American people have been waiting for this day since former Secretary Paulson came to us some months ago, saying that our financial system faced an emergency. The American people wanted to hear from the Wall Street bankers, they wanted to hear them apologize for the bad decisions that they made and tell us the steps they would take to fix the economy.

In this Committee, we have heard apologies from the SEC, apologies from the Big Three. Today, Wall Street is here to tell us what it did with taxpayer money and why businesses and consumers do not feel, at a local level, that there is any change whatsoever in the availability of credit.

It is true that our markets need capital in order to function properly and that the health of our financial institutions is indicative of the health of our economy. But, I'm afraid that today's testimony doesn't give us a full enough picture.

The testimony sounds good, but it does not appear to be translating to South Florida. My constituents tell me that they can't get a loan on reasonable terms, that the banks are not helping reduce foreclosures and that rather than paying the government back, some banks hold employee retreats at spas and then patting themselves on the back with bonuses. Many local and community banks are working hard to address these issues, but that is not enough to get our economy going again.

I look forward to hearing from you about this disconnect. Speaking from a common sense point of view, do you believe that your use of the taxpayer money has helped the economy?

Yesterday, I was in Fort Myers with the President, where we heard the personal and heart-wrenching stories of local residents struggling in this difficult economy. Their experiences echo those of families and businesses across my Congressional district.

We now have a second chance to answer these calls for change. President Obama and Secretary Geithner have been outlining specific uses for the second installment of federal assistance. We already know that this money will be more transparent and that the requirements for assistance with foreclosure mitigation and CEO pay will be stricter.

I look forward to these improvements to the plan, as well as a thoughtful discussion today.

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